

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5915-03
Bill No.: Perfected HCS for HB 1900
Subject: State Departments; Administration, Office of; Elementary and Secondary
Education Department; Social Services Department
Type: Original
Date: May 1, 2012

Bill Summary: This proposal restructures various statutory provisions based on executive branch reorganizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Alcohol and Tobacco Control Trust	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Highway Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$100,000	\$100,000	\$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	Less than \$100,000	Less than \$100,000	Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

Reorganization State Government

Officials at the **Alcohol & Tobacco Control, Budget and Planning, Capitol Police, Department of Conservation, Department of Economic Development, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Mental Health, Department of Revenue, Department of Social Services, Fire Safety, Joint Committee on Administrative Rules, Joint Committee on Public Employee Retirement, Missouri Consolidated Health Care Plan, Missouri Ethics Commission, Missouri Highway Patrol, Missouri Gaming Commission, Missouri Lottery, Missouri House of Representatives, Missouri Senate, MoDOT & Patrol Employees' Retirement System, Office of Administration, Office of the Governor, Office of Prosecution Services, Office of State Courts Administrator, Office of the State Auditor, Office of the State Public Defender, Office of State Treasurer, State Emergency Management Agency and the State Tax Commission** assume there is no fiscal impact from this proposal.

Officials at the **Office of Attorney General (AGO)** assume that any potential costs arising from this proposal can be absorbed with existing resources. AGO may seek additional appropriation if there is a significant increase in the number of cases referred to the AGO.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Sections 311.730 and 311.735 Alcohol and Tobacco Control Fee

In response to similar legislation filed this year, HB 1954, officials from the **Department of Public Safety - Division of Alcohol and Tobacco Control (ATC)** state they issue almost 30,000 liquor licenses each year. Of that amount, 5,000 liquor licenses are issued for a period less than 30 days, and thus the transaction fee does not apply to those licenses (picnics and caterers licenses). The remaining 25,000 licenses are issued for periods that exceed 30 days and will result in an additional \$100 transaction for each license. During July and August of 2011, ATC issued 1,270 new or renewal licenses, therefore for FY 2013, the fee collected on all new licenses issued, and for all licenses renewed from August 28, 2012 through June 30 of 2013 will result in approximately \$2.37 million $((25,000 - 1,270) \times \$100)$ to the credit of the ATC trust fund. For future fiscal years, we expect the amount to be \$2.5 million $(25,000 \times \$100)$.

Officials from the **Department of Revenue, Office of the State Treasurer**, and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal would not fiscally impact their respective agencies.

Oversight assumes that HB 1954 imposed a \$100 transaction fee that this proposal does not establish. Oversight is uncertain if there are any other fees that would be collected and placed into the new fund established. Therefore Oversight will show the impact as \$0 to Unknown.

Section 210.1014 Amber Alert System

In response to similar legislation filed this year, HB 1468 the following responded:

Officials from the **Department of Public Safety - Missouri Highway Patrol** and the **Department of Health and Senior Services** each assume the proposal would not fiscally impact their respective agencies.

Section 301.4040 Red Cross License Plate

Officials from the **Department of Revenue (DOR) - Motor Vehicle Bureau (MVB)** estimates procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Application for Military Personalized License Plates (DOR-4601) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182. The Department's web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319. The Department would incur 20 overtime hours for a Revenue Processing Tech II to work with the organization on the design of the plate and finalizing the design of the plate at a cost of \$411. The Department would incur 20 overtime

ASSUMPTION (continued)

hours for a Revenue Processing Tech II to set up the new specialty plate within MVB systems and testing at a cost of \$411. Total cost to the DOR- MVB is \$3,505 in FY 2013.

The printing of flat plates has changed from Irwin Hodson to Missouri Vocational Enterprises (MVE); as a result the cost for the set-up of a new specialty plate has changed from previous years. The Department is charged \$215 for the initial set-up of a new specialty plate for passenger, truck, RV, disabled, and motorcycle plates.

The Department pays \$3.50 per plate, \$7 per set of plates, for manufacturing flat plates through Missouri Vocational Enterprises. The number of applicants who will obtain this plate is unknown. Therefore the Department is assuming 200 applicants at a cost of \$1,167 (10 Months) in FY13, \$1,435 in FY14, and \$1,471 in FY15.

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to license offices once they have completed the manufacturing process through MVE. Assuming 200 applications are received, it would cost the Department \$93 in FY 13 (10 Months), \$114 in FY14, and \$117 in FY15 to ship 200 sets of plates to license offices in various regions across the state.

Note: The \$5.55 is an average cost to ship a box of 10 sets of plates to contract offices. The cost may decrease or increase based on the weight of the box, the area to which the box is being sent, and how many boxes are being sent at one time.

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them that their plates are ready for pickup at the respective license office. Assuming 200 are mailed it would cost the Department \$87 in FY13 (10 Months), \$107 in FY14, and \$109 in FY15 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.45). Total cost to the DOR for plate set up, manufacturing and mailings is \$1,562 in FY 2013 (\$215 + \$1,167 + \$93 + \$87), \$1,656 in FY 2014 (\$1,435 + \$114 + \$107) and \$1,697 in FY 2015 (\$1 471 + \$117 + 109).

In summary, DOR assumes a cost of \$5,067 in FY 2013 (\$3,505 + \$1,562), \$1,656 in FY 2014 and \$1,697 in FY 2015 for full time employees, plate set-up, manufacturing and mailings.

The number of applicants who will wish to obtain this plate is unknown. However, for each 200 Missouri Chapter of the American Red Cross specialty personalized plate applications received, there will be an increase in revenue each year of \$5,000 as a result of the \$25 specialty plate fee.

ASSUMPTION (continued)

75% -Highway Fund	\$3,750
15% - Cities	\$750
10% - Counties	\$500

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process. Since it is unknown how many plate applications will be received for this plate, for fiscal note purposes only, Oversight will estimate revenue as: Less than \$100,000. Oversight will also estimate cost to General Revenue from manufacturing process as: (Less than \$100,000).

Officials at the **Missouri Department of Transportation** defers to Department of Revenue for fiscal impact.

Officials from the **Department of Corrections (DOC)** assume there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Cost</u> - Department of Revenue - Processing costs for specialty plates	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ALCOHOL AND TOBACCO CONTROL TRUST FUND			
<u>Income</u> - Division of Alcohol and Tobacco Control	<u>\$0 to Unknown</u>	<u>\$ 0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT TO THE ALCOHOL AND TOBACCO CONTROL TRUST FUND	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
HIGHWAY FUND			
<u>Income</u> - Specialty plate fees	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities and Counties - Specialty plate fees	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>

FISCAL IMPACT - Small Business

Small businesses that obtain a liquor license may have to pay an additional fee as a result of this proposal.

FISCAL DESCRIPTION

This proposal requires moneys from the fee are to be deposited into the newly created Alcohol and Tobacco Control Trust Fund to be used by the Division of Alcohol and Tobacco Control within the Department of Public Safety for the administration and regulation of the liquor control and tobacco laws.

This proposal establishes a special license plate for the Missouri Chapter of the American Red Cross.

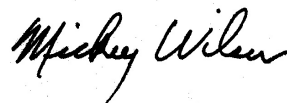
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Alcohol & Tobacco Control
 Budget and Planning
 Capitol Police
 Department of Conservation
 Department of Economic Development
 Department of Elementary and Secondary Education
 Department of Health and Senior Services
 Department of Higher Education

ASSUMPTION (continued)

Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Revenue
Department of Social Services
Fire Safety
Joint Committee on Administrative Rules
Joint Committee on Public Employee Retirement
Missouri Consolidated Health Care Plan
Missouri Ethics Commission
Missouri Highway Patrol
Missouri House of Representatives
Missouri Gaming Commission
Missouri Lottery
Missouri Senate
MoDOT & Patrol Employees' Retirement System
Office of Administration
Office of Attorney General
Office of the Governor
Office of Prosecution Services
Office of State Courts Administrator
Office of the State Auditor
Office of the State Public Defender
Office of State Treasurer
State Emergency Management Agency
State Tax Commission



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